

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2002

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



BALANCE SHEETS

AS OF SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	SEPTEMBER 2002	SEPTEMBER 2001
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	47,318	40,121
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, \$10,577; 2001, \$9,624).....	18,312	22,971
4	Inventories.....	4,832	5,056
5	Prepaid Expenses and Other Current Assets.....	6,687	9,083
6	Total Current Assets.....	77,149	77,231
7	Investments, Advances, and Receivables - CRDA.....	14,789	16,082
8	Property and Equipment - Gross.....	1,104,518	1,081,723
9	Less: Accumulated Depreciation and Amortization.....	(238,991)	(204,005)
10	Property and Equipment - Net.....	865,527	877,718
11	Other Assets..... NOTE 4.....	12,756	68,213
12	Total Assets.....	970,221	1,039,244
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	12,798	16,793
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... NOTE 2.....	4,065	1,991
17	Income Taxes Payable and Accrued.....	-	-
18	Other Accrued Expenses.....	23,214	24,636
19	Other Current Liabilities.....	6,595	9,100
20	Total Current Liabilities.....	46,672	52,520
	Long-Term Debt:		
21	Due to Affiliates..... NOTE 2 & 6.....	836,247	800,000
22	Other..... NOTE 2.....	7,593	4,530
23	Deferred Credits.....	-	-
24	Other Liabilities.....	4,053	4,424
25	Commitments and Contingencies..... NOTE 8.....		
26	Total Liabilities.....	894,565	861,474
27	Stockholders', Partners', or Proprietor's Equity..... NOTE 5 & 6.....	75,656	177,770
28	Total Liabilities and Equity.....	970,221	1,039,244

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	REVENUE:		
1	Casino.....	408,507	400,679
2	Rooms.....	26,656	26,339
3	Food and Beverage.....	42,850	42,471
4	Other.....	15,603	13,589
5	Total Revenue.....	493,616	483,078
6	Less: Promotional Allowances..... NOTE 3.....	95,237	101,505
7	Net Revenue.....	398,379	381,573
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	219,179	220,145
9	Selling, General and Administrative..... NOTE 3.....	53,999	52,532
10	Provision for Doubtful Accounts.....	3,909	2,163
11	Total Costs and Expenses.....	277,087	274,840
12	Gross Operating Profit.....	121,292	106,733
13	Depreciation and Amortization.....	28,066	25,241
	Charges from Affiliates Other than Interest:	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 4.....	4,908	4,976
16	Income (Loss) from Operations.....	88,318	76,516
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 2.....	(71,227)	(69,579)
18	Interest Income (Expense) - External..... NOTE 2.....	(680)	(345)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(2,043)	(1,791)
20	Nonoperating Income (Expense) - Net.....	195	647
21	Total Other Income (Expenses).....	(73,755)	(71,068)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	14,563	5,448
23	Provision (Credit) for Income Taxes..... NOTE 7.....	1,790	-
24	Income (Loss) Before Extraordinary Items.....	12,773	5,448
25	Extraordinary Items (Net of Income Taxes- 2002, \$ ____ ; 2001, \$ ____).....	-	-
26	Net Income (Loss).....	12,773	5,448

The accompanying notes are an integral part of the financial statements.
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TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	REVENUE:		
1	Casino.....	146,129	148,778
2	Rooms.....	9,793	9,935
3	Food and Beverage.....	15,366	15,589
4	Other.....	6,032	5,613
5	Total Revenue.....	177,320	179,915
6	Less: Promotional Allowances..... NOTE 3.....	32,288	38,418
7	Net Revenue.....	145,032	141,497
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	76,990	76,840
9	Selling, General and Administrative..... NOTE 3.....	17,781	17,997
10	Provision for Doubtful Accounts.....	2,491	616
11	Total Costs and Expenses.....	97,262	95,453
12	Gross Operating Profit.....	47,770	46,044
13	Depreciation and Amortization.....	9,764	8,369
	Charges from Affiliates Other than Interest.....	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 4.....	1,666	1,447
16	Income (Loss) from Operations.....	36,340	36,228
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 2.....	(24,223)	(23,173)
18	Interest Income (Expense) - External..... NOTE 2.....	(272)	(224)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(602)	(624)
20	Nonoperating Income (Expense) - Net.....	39	122
21	Total Other Income (Expenses).....	(25,058)	(23,899)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	11,282	12,329
23	Provision (Credit) for Income Taxes..... NOTE 7.....	1,790	-
24	Income (Loss) Before Extraordinary Items.....	9,492	12,329
25	Extraordinary Items (Net of Income Taxes- 2002, \$____; 2001, \$____).....	-	-
26	Net Income (Loss).....	9,492	12,329

The accompanying notes are an integral part of the financial statements.
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TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001
AND THE NINE MONTHS ENDED SEPTEMBER 30, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2000.....	\$187,242	(\$14,920)		\$172,322
2	Net Income (Loss) - 2001.....	-	4,002		4,002
3	Capital Contributions.....	-	-		-
4	Capital Withdrawals.....	-	-		-
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7					
8					
9					
10	Balance, December 31, 2001.....	187,242	(10,918)		176,324
11	Net Income (Loss) - 2002.....	-	12,773		12,773
12	Capital Contributions..... NOTE 6.....	(35,565)	-		(35,565)
13	Capital Withdrawals.....	-	-		-
14	Partnership Distributions..... NOTE 5.....		(77,876)		(77,876)
15	Prior Period Adjustments.....				
16					
17					
18					
19	Balance, September 30, 2002.....	\$151,677	(\$76,021)	-	\$75,656

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	24,501	9,711
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(9,853)	(4,004)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(4,902)	(4,773)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(14,755)	(8,777)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(2,830)	(1,273)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals	-	-
21	Partnership Distribution	(1,664)	-
22	Cash Disbursed for Capital Contribution	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(4,494)	(1,273)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	5,252	(339)
25	Cash and Cash Equivalents at Beginning of Period.....	42,066	40,460
26	Cash and Cash Equivalents at End of Period.....	47,318	40,121
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	79,680	82,844
28	Income Taxes.....	-	-

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	12,773	5,448
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	28,066	25,241
31	Amortization of Other Assets.....	-	-
32	Amortization of Debt Discount or Premium.....	1,931	2,079
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	2,043	1,791
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	2,777	(1,555)
39	Net (Increase) Decrease in Inventories.....	177	282
40	Net (Increase) Decrease in Other Current Assets.....	(3,877)	(5,989)
41	Net (Increase) Decrease in Other Assets.....	(11,493)	(15,613)
42	Net Increase (Decrease) in Accounts Payable.....	(3,545)	170
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	(4,351)	(2,143)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	-
45	-	-
46	-	-
47	Net Cash Provided (Used) by Operating Activities.....	24,501	9,711

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	(18,122)	(10,132)
49	Less: Capital Lease Obligations Incurred.....	8,269	6,128
50	Cash Outflows for Property and Equipment.....	(9,853)	(4,004)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	-	-
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	-	-
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions/Partnership Distribution... NOTE 5 & 6 ..	(111,777)	-
58	Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs.....NOTE 6.....	35,565	-
59	Plus: Elimination of Amounts Due from Affiliates.....NOTE 5.....	76,212	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	59,836	\$ 6,835		
2	Food	604,852	6,796		
3	Beverage	1,716,572	2,765		
4	Travel			17,959	\$ 1,828
5	Bus Program Cash	185,841	1,886		
6	Other Cash Comps	489,069	13,225		
7	Entertainment	10,611	499	1,851	63
8	Retail & Gifts			48,898	1,416
9	Parking				
10	Other	3,806	282	14,025	376
11	Total	3,070,587	\$ 32,288	82,733	\$ 3,683

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	183,975	\$ 17,475		
2	Food	1,652,790	18,901		
3	Beverage	4,826,453	7,776		
4	Travel			50,304	\$ 5,114
5	Bus Program Cash	524,680	6,190		
6	Other Cash Comps	1,297,623	42,867		
7	Entertainment	22,199	1,235	9,193	500
8	Retail & Gifts			152,725	5,055
9	Parking				
10	Other	12,091	793	46,847	1,101
11	Total	8,519,811	\$ 95,237	259,069	\$ 11,770

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Unaudited)

NOTE 1 - ORGANIZATION AND OPERATIONS

Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates") is 100% beneficially owned by Trump Atlantic City Associates, a New Jersey general partnership ("Trump AC"). Trump AC is 100% beneficially owned by Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings") which is a 63.4% owned subsidiary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"). In addition, Trump AC beneficially wholly owns Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates"), the owner and operator of the Trump Plaza Casino Hotel located in Atlantic City, New Jersey.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The industry in which the Taj Mahal operates is subject to intense competition and regulatory review.

The accompanying financial statements of Taj Associates have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying financial statements have been prepared by Taj Associates pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "Commission"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 2001 Quarterly Report as filed with the Commission.

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

The casino industry in Atlantic City is seasonal in nature; therefore, results of operations for the nine and three months ended September 30, 2002 and 2001 are not necessarily indicative of the operating results for a full year.

NOTE 2 - LONG TERM DEBT

Long-term debt consists of the following:

	September 30, 2002	September 30, 2001
Note Payable - Trump AC (a)	\$ 800,000,000	\$ 800,000,000
Note Payable - Trump AC, net of unamortized discount of \$503,000 and \$0, respectively (a)	36,247,000	—
Other (b)	11,658,000	6,521,000
Total	847,905,000	806,521,000
Less: Current portion	(4,065,000)	(1,991,000)
	<u>\$ 843,840,000</u>	<u>\$ 804,530,000</u>

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Unaudited)

	Nine months ended September 30,	
	2002	2001
<u>Interest Expense - Affiliates</u>		
Trump Atlantic City Associates (a)	\$ 69,223,000	\$ 67,500,000
Accretion - bond discount	73,000	—
Amortization - deferred loan costs (a)	<u>1,931,000</u>	<u>2,079,000</u>
Total	<u>\$ 71,227,000</u>	<u>\$ 69,579,000</u>
<u>Interest Expense - External</u>		
Capital lease obligations (b)	<u>\$ 680,000</u>	<u>\$ 345,000</u>
	Three months ended September 30,	
	2002	2001
<u>Interest Expense - Affiliates</u>		
Trump Atlantic City Associates (a)	\$ 23,533,000	\$ 22,500,000
Accretion - bond discount	44,000	—
Amortization - deferred loan costs (a)	<u>646,000</u>	<u>673,000</u>
Total	<u>\$ 24,223,000</u>	<u>\$ 23,173,000</u>
<u>Interest Expense - External</u>		
Capital lease obligations (b)	<u>\$ 272,000</u>	<u>\$ 224,000</u>

(a) Trump AC together with Trump Atlantic City Funding Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued the Trump Atlantic City Mortgage Notes ("Trump AC Mortgage Notes") in the aggregate principal amount of \$1,200,000,000 which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates.

Trump AC together with Trump Atlantic City Funding II ("Trump AC Funding II") and Trump Atlantic City Funding III ("Trump AC Funding III"), wholly owned subsidiaries of Trump AC, issued Trump AC Mortgage Notes in aggregate principal amounts of \$75,000,000 and \$25,000,000, respectively, which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates.

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes. Costs of \$29,467,000 and \$609,000 associated with the issuance of the Trump AC Mortgage Notes are being amortized by Taj Associates using the effective interest method over the term of the Trump AC Mortgage Notes. Amortization is included in interest expense on the accompanying statement of operations and totaled \$1,931,000 and \$2,079,000 for the nine months ended September 30, 2002 and 2001, respectively.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Unaudited)

The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

(b) Interest on these capitalized leases are payable with interest rates ranging from 5.0% to 13.0%. The leases are due at various dates between 2002 and 2007 and are secured by the equipment financed.

The ability of Taj Associates to repay its long-term debt when due will depend on its ability to either generate cash from operations sufficient for such purposes or its ability to refinance such indebtedness. Cash flow from operations will not be sufficient to repay a substantial portion of the principal amount of the indebtedness upon maturity. The future operating performance of Taj Associates and its ability to refinance such indebtedness will be subject to the then prevailing economic conditions, industry conditions and numerous other financial, business and other factors, many of which are beyond the control of Taj Associates. There can be no assurances that the future operating performance of Taj Associates will be sufficient to meet these repayment obligations or that the general state of the economy, the status of the capital markets or the receptiveness of the capital markets to the gaming industry in general or to the company in particular will be conducive to refinancing this debt or other attempts to raise capital.

During the first quarter of 2002, Trump AC was seeking to refinance or modify the terms of the Trump AC Mortgage Notes. Trump AC has since terminated such efforts but may renew its efforts to refinance or modify the Trump AC Mortgage Notes at a later date if and when capital market conditions are favorable.

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENT

In January 2002, Taj Associates adopted the provisions of Emerging Issues Task Force ("EITF") Issue No. 22, "Accounting for "Points" and Certain Other Time-Based Sales Incentive Offers, and Offers for Free Products or Services to be Delivered in the Future". Accordingly, volume-based cash rebates of \$16,774,000 and \$43,819,000 during the three and nine months ended September 30, 2001 have been reclassified as promotional allowances from selling, general and administrative expense.

During the third quarter of 2002, Taj Associates reclassified additional costs (primarily bus coin) from selling, general and administrative expense to promotional allowances to be consistent with prevailing industry practice pursuant to EITF 01-9, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" which totaled \$2,435,000, \$2,284,000 for the three months ended March 31, 2002 and June 30, 2002 and \$3,849,000, \$3,187,000, and \$4,067,000 for the three months ended, March 31, 2001, June 30, 2001, and September 30, 2001, respectively.

NOTE 4 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Donald J. Trump ("Trump") and entities that are wholly or partially owned by Trump. Amounts receivable from (owed to) are as follows:

	September 30, 2002	September 30, 2001
Trump Castle Associates	\$ (23,000)	\$ 279,000
Plaza Associates	13,000	(116,000)
Trump Administration (Note 5)	(2,000)	4,279,000
THCR (Note 5)	(69,000)	(920,000)
Trump AC (Note 5)	2,000,000	52,541,000
Trump Organization	—	320,000
	<u>\$ 1,919,000</u>	<u>\$ 56,383,000</u>

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Unaudited)

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities owned by Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance, payroll costs, warehoused operating inventories and advertising as well as complimentary services offered to customers.

Trump Administration, a separate division of Taj Associates ("Trump Administration"), was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to, Plaza Associates, Trump's Castle Associates, L.P., a New Jersey limited partnership and operator of the Trump Marina Hotel Casino in Atlantic City, New Jersey ("Castle Associates") and Taj Associates. Charges from Trump Administration for the nine months ended September 30, 2002 and 2001 were approximately \$4,908,000 and \$4,976,000 respectively.

NOTE 5 - PARTNERSHIP DISTRIBUTION

Pursuant to the indentures governing the Trump AC Mortgage Notes, Trump AC is permitted to reimburse THCR for its operating and interest expenses. These reimbursements are subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements. During the quarter ended June 30, 2002, Trump AC declared a non-cash partnership distribution to THCR of \$101,341,000, consisting of \$50,000,000 of prior years interest reimbursements and \$51,341,000 of prior years operating expense reimbursements.

As such, Trump AC's subsidiaries, Taj Associates and Plaza Associates are permitted to reimburse Trump AC for its interest expenses and operating expense reimbursements to THCR. During the quarter ended June 30, 2002, Taj Associates declared a partnership distribution to Trump AC of \$76,212,000. These amounts were previously presented as Advances to Affiliates on the balance sheet. Additionally, during the three months ended September 30, 2002, Taj Associates declared partnership distributions to Trump AC of \$1,664,000 consisting of operating expense reimbursements for the three month period.

NOTE 6 - PARTNERSHIP CAPITAL

In 1997 Trump AC together with Trump AC Funding II and Trump AC Funding III issued Trump AC Mortgage Notes in aggregate principal amounts of \$75,000,000 and \$25,000,000, respectively, which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates.

From the proceeds of the issuance of the Trump AC Mortgage Notes, Taj Associates and Plaza Associates each received the benefit of \$36,750,000 and \$63,250,000, respectively. Accordingly these amounts plus apportioned deferred loan costs net of unamortized discounts were recorded in the stand alone financial statements of both Taj Associates and Plaza Associates during the quarter ended June 30, 2002. Previously these amounts were recorded solely on the financial statements of Trump AC.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Unaudited)

NOTE 7 - STATE OF NEW JERSEY INCOME TAXES

On July 3, 2002, the State of New Jersey passed the New Jersey Tax Act (the "Act"). This Act, among other things, requires the suspension of the use of the New Jersey net operating loss carryforwards for two years and the introduction of a new Alternative Minimum Assessment amount under the New Jersey corporate business tax based on gross receipts or gross profits, as defined. The Act is retroactive to January 1, 2002. As a result of the change in the tax law, Taj Associates has recorded a charge to tax expense of \$1,790,000 for the nine months ended September 30, 2002, which represents the cumulative tax due from January 1, 2002 to September 30, 2002. This charge was recorded beginning in the period in which the tax law was passed (third quarter) pursuant to the accounting literature in Financial Accounting Standards Board Statement Number 109, *Accounting For Income Taxes*.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Taj Associates, its partners and certain of its employees are involved in various legal proceedings incurred in the normal course of business. In the opinion of management of Taj Associates, the expected disposition of these proceedings would not have a material adverse effect on Taj Associates' financial condition or results of operations.

Federal Income Tax Examination

Taj Associates is currently involved in an examination with the Internal Revenue Service concerning Taj Associates' federal partnership income tax returns for the tax years 1994 thru 1996. While any adjustment which results from this examination could affect Taj Associates' state income tax return, Taj Associates does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :SS,
:

James L. Wright, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 14th
day of November, 2002

James L. Wright
Signature

Suzanne H. Wallowitch
Signature

Vice President of Finance
Title

003507-11
License Number

Suzanne H. Wallowitch
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires November 23, 2003
Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee